F 116921

CAS NR [illegible] ROUTINE [illegible]

SECRET CA NR [illegible] TO NEW ORLEANS FI WASHINGTON

TO BURKE FROM ASHCRAFT BY CIESIELSKI (SUPPORT) - CITE [illegible]

A 116921

CASE 16633 RPT 16633. WE FORWARD THE FOLLOWING FROM NEW YORK:

1. THE INTERESTED FI RPT FI AREA DIVISION WELCOMED YOUR DETAILED INVENTORY OF THE VERSON RPT VERSON MATERIAL. HAVANA FI RPT FI STATION HAS ADVISED THAT VERSON WAS IN TOUCH WITH AMERICAN EMBASSY IN PAST AND IS OF OPINION THAT IMPORTANT PART OF VERSON MATERIAL IS IN CIA POSSESSION. THIS LAST PROBABILITY - SUPPORTED BY YOUR DESCRIPTION AND OPINIONS - HAS PRACTICALLY ELIMINATED DESIRE TO SECURE THE FOLDERS. THE NEED FOR INVOLVING CUSTOMS IN A SERIES OF DELIVERIES AND VERSON'S DESIRE TO HAVE THE FOLDERS RETURNED ARE FURTHER FACTORS COMPLICATING THE SITUATION. FINALLY FI/WH RPT FI/WH DIVISION STATES THAT THE CONDITIONS IMPOSED BY VERSON WARRANT A SUSPICION THAT THIS DEAL HAS BEEN DESIGNED FOR EXPLOITATION OF THE PRIO GROUP RPT PRIO GROUP IN THE NOVEMBER ELECTIONS IN CUBA.

2. IN VIEW OF THE ABOVE, WE HAVE NOT RPT NOT FORWARDED YOUR LETTER BUT SUBSTITUTED A DRAFT ALONG LINES SUGGESTED BY FI RPT FI. WE HAVE POUCHED YOU A COPY AND YOU WILL NOTE THAT IS IS VAGUE AND EVASIVE. THIS HAS BEEN DONE DELIBERATELY WITH THE HOPE THAT IT WILL AROUSE A REPLY; FOR OBVIOUS REASON THE WASHINGTON RETURN ADDRESS IS INDICATED. FI WILL RPT FI WILL CONTINUE TO PREPARE REPLIES UNTIL SUCH TIME AS THE OFFER IS FINALLY REJECTED OR YOU ARE ASKED TO PARTICIPATE IN ANOTHER MEETING.

3. WE TRUST THE ARRANGEMENTS DESCRIBED ABOVE MEET WITH YOUR APPROVAL. IF THERE ARE ANY C E RPT C E ASPECTS YOU CAN CALL TO OUR ATTENTION, ADVISE AND THEY WILL BE USED TO ADJUST THE OPERATION.

[illegible] SEP CBS

CBS WBU PRIORITY 012332

(PRIORITY) SECRET GN NR 132 TO NEW ORLEANS FROM WASHINGTON

TO BURKE FROM ASHCRAFT BY CIESIELSKI - CITE WA-9970

THIS IS NEW CASE 15595 RPT 16604 SUBJECT: MEETING WITH REPRESENTATIVES OF CARLOS PRIO SOCARRAS RPT CARLOS PRIO SOCARRAS. RE CONVERSATION BURKE-CIESIELSKI ON 1 RPT 1 SEPTEMBER 54. ACCORDING TO FI/WH RPT FI/WH DIVISION, FRANK JACKSON RPT FRANK JACKSON OF MIAMI, FLORIDA APPROACHED PRESIDENTIAL AIDE SHERMAN ADAMS RPT SHERMAN ADAMS WITH A STORY THAT INTELLIGENCE MATERIAL CONCERNING SOVIET PLANS IN THE CARRIBEAN AREA COULD BE MADE AVAILABLE THROUGH CARLOS PRIO. IT APPEARS THAT SHERMAN ADAMS TOLD JACKSON THAT IT MIGHT BE OF INTEREST TO CIA RPT CIA AND INDICATED THAT HE WOULD TAKE APPROPRIATE ACTION.

FRANK JACKSON IS REPORTED TO BE CONNECTED WITH AN ORGANIZATION KNOWN AS WORLD SURVEYS; HE ALSO SERVES AS PUBLIC RELATIONS REPRESENTATIVE FOR PRIO. IN SPITE OF THIS BUSINESS CONNECTION IT IS BELIEVED THAT JACKSON'S MOTIVATION IS CORRECT. THIS CONCLUSION IS BASED ON THE FACT THAT HE HAS HAD SERVICE WITH ONI RPT ONI AND THE SECRET SERVICE, AND IS PERSONALLY VOUCHED FOR BY A MEMBER OF THE CIA RPT CIA SECURITY OFFICE.

AS YOU KNOW, PRIO IS CURRENTLY INVOLVED WITH THE DEPARTMENT OF JUSTICE AND SCHEDULED TO STAND TRIAL ON AN ARMS SMUGGLING CHARGE.

THE FI RPT FI AREA DIVISION HAS TAKEN INTO CONSIDERATION THE POSSIBILITY THAT THIS CURRENT PRIO OFFER IS A MANEUVER DESIGNED TO PLACE THE US RPT US GOVERNMENT IN AN AWKWARD POSITION. ON THE OTHER HAND, JACKSON STATES THAT THE PRIO GROUP IS MAKING THIS OFFER WITHOUT ANY THOUGHT OF FINANCIAL RETURN OR POLITICAL FAVORS.

THE ABOVE INFORMATION IS FURNISHED FOR BACKGROUND. WE HAVE ASKED SECURITY TO COORDINATE WITH FBI RPT FBI ON A CRASH BASIS AND WILL ASK YOU TO TAKE NO RPT NO ACTION UNTIL THIS COORDINATION IS EFFECTED AT THE WASHINGTON LEVEL. PLEASE CONSIDER THIS WIRE AS AN ALERT AND ADVISE US OF YOUR ESTIMATED DEPARTURE TIME SO THAT WE CAN NOTIFY YOU BY TELEPHONE THAT THE NECESSARY COORDINATION HAS BEEN COMPLETED. AT MIAMI JACKSON CAN BE CONTACTED THROUGH THE FOLLOWING TELEPHONE NUMBER: 46-6650 RPT 46-6650, AND TOLD THAT YOU ARE IN MIAMI AS A FOLLOW-UP TO THE MEETING HE HAD IN WASHINGTON WITH MR. HENRY THOMAS RPT MR. HENRY THOMAS (THOMAS IS THE SECURITY REPRESENTATIVE DESCRIBED ABOVE AS JACKSON'S FRIEND).

IT IS NOT RPT NOT KNOWN WHETHER PRIO WILL ATTEND PERSONALLY OR SEND REPRESENTATIVES. IT IS BELIEVED THAT A BI-LINGUAL REPRESENTATIVE WILL BE BROUGHT BY THE PRIO PEOPLE. AT THE MEETING YOU ARE ASKED TO DO THE FOLLOWING:

A. SECURE AS MUCH DETAILED INFORMATION ABOUT THE OFFER OF SOVIET INTELLIGENCE PLANS AS POSSIBLE.

B. SECURE THE NAMES OF THE REPRESENTATIVES.

UNFORTUNATELY, YOU WILL BE IN NO RPT NO POSITION TO MAKE ANY COMMITMENTS AND THE PRIO REPRESENTATIVES SHOULD BE SO ADVISED BY

UNFORTUNATELY, YOU WILL BE IN NO RPT NO POSITION TO MAKE ANY COMMITMENTS AND THE PRIO REPRESENTATIVES SHOULD BE SO ADVISED BY YOU. YOU WILL ALSO ADVISE THOMAS ON THIS POINT AT YOUR FIRST MEETING WITH HIM. WE FEEL THAT IT WILL BE BEST IF YOU COULD LIMIT KNOWLEDGE OF YOUR CIA RPT CIA AFFILIATION TO JACKSON AND INTRODUCE YOURSELF TO THE PRIO MEN AS A REPRESENTATIVE OF THE US RPT US GOVERNMENT WHO IS VOUCHED FOR BY JACKSON.

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Chief, Contact Division

22 September 1958

Chief, New Orleans Office

Case 16603

1. Confirming and supplementing our several long-distance telephone conversations, I report herewith concerning my interview with Mr. Frank Jackson and two members of the Prio Socarras' group in Miami, Florida, on 17 and 19 September 1958. This portion of the report is concerned with the mechanics of the operation and the personalities involved. It would be, I presume, of little interest to FI. A supplemental section contains a description of the material offered by the Cuban refugees, which portion, I assume, you will turn over to FI/WH Division.

2. On arrival in Miami, I called at the office of the FBI with a view to informing that Agency of my presence and of the general nature of the activities I proposed to engage in, so that the agents of the Bureau would not be unduly surprised if they learned of my activities from other agents who were presumably keeping my proposed contacts under surveillance. The SAC was absent from the office. I accordingly talked with one of the Duty Officers, a Special Agent named Schilldecker, whom I had met before and who has frequently cooperated with our representative in Miami, John H. Dyer. Schilldecker was most pleasant and cooperative. I informed him that the matter on which I was engaged had been coordinated with FBI headquarters through Mr. Charles Bates and that the Bureau interposed no objections. I then told him, in general terms, about the activities of Mr. Frank Jackson in Washington. The agent said that he had known Jackson for about 10 years and that he considered Jackson to be an unreliable person and a complete opportunist. He said that Jackson had been in Naval Intelligence during World War II and that since the end of his tour of active duty he had held a number of jobs in none of which he had been able to make a success. These jobs included the agency for a wine manufacturer, the position of deputy sheriff in Miami Beach, the agency for a maker of concrete blocks and several other enterprises. In one of his jobs Jackson had been suspected of pilferage and had been discharged on that account, although no prosecution was instituted. Jackson is now, according to Schilldecker, operating a private detective agency and is also acting as public relations adviser to Prio and his group. He is believed to be the owner of a corporation known as "Enterprises Many, Inc," the exact operations of which are unknown.

3. Schilldecker said that Jackson claimed to have excellent sources of information on Cuba and that he particularly had referred to a Captain Salvador Diaz y Verson, a political refugee from Cuba, who had engaged quite intensively in anti-Communist activities. Schilldecker said that the "legal attache" (I assume that means an FBI representative) at the US Embassy in Havana had at one time written to the SAC in Miami about Verson and had said that the latter had once been in a position to obtain valuable information concerning the activities of the Communists in Cuba, but that, in his belief, Verson was given to flights of fancy.

4. Schilldecker pointed out that, although the criminal cases against Prio and Curti had been ended with pleas of nolo contendere and fines, cases were still pending against four other Cuban exiles who are allegedly engaged in the gun-running plot. He said that inasmuch as the cases were primarily the interest of the Customs Department, the FBI was not immediately interested. He voiced the opinion that Customs representatives were maintaining surveillance on the defendants in the various suits.

5. Returning from the FBI office, I telephoned Jackson, as arranged, at 3:00 p.m. and identified myself as directed in WA-9979. Jackson said that it would be impossible to arrange a meeting with the Cubans that afternoon, since the leader of the group would not be available. He said that a meeting could be arranged for the following morning, Sunday, 19 September, at 11:00 a.m., and I accordingly arranged to meet the group in a room at the Columbus Hotel which I had reserved for that purpose. I suggested a preliminary meeting with Jackson so as to obtain information about the persons I was to see, but he said that that would not be feasible on Saturday and that he would drop in on Sunday morning a few minutes ahead of the rest of the group.

6. Jackson arrived at the designated room on Sunday morning at 10:45 a.m. He did not request the exhibition of credentials and I did not exhibit them. He said that the meeting with the Cubans would have to be postponed until 4:00 o'clock Sunday afternoon, inasmuch as the leader of the group was at that time engaged in preparing a speech. He said he would bring two members of the group to the Columbus Hotel at 4:00 p.m., and I agreed to meet them at that time.

7. Jackson said that the two men he wanted me to talk to were Senor Carlos Hevia and a Captain Verson, whose full name Mr. Jackson did not know. He said that Carlos Hevia is a leading Cuban consulting engineer and is a graduate of the US Military Academy of the class of 1919. For a short time he was President of Cuba and was subsequently Ambassador to the US. He is a member of Prio's Authentico Party, but belongs to the conservative wing which is highly critical of some of Prio's actions. Hevia was exiled from Cuba when his name was found on an envelope in the possession of Sanchez Arango. He is under indictment in the US District Court but has pleaded not guilty to charges of gun-running growing out of the same incident concerning which Prio pleaded "nolo contendere."

8. Captain Verson, according to Jackson, is and has been for many years the president of the Anti-Communist League of Cuba. During a part of the terms of Grau San Martin and Prio, Verson held the rank of Captain in the Cuban army and was in charge of a counter-espionage section dealing with Cuban Communists. Verson, in his official capacity, was largely instrumental in having the Soviet Embassy in Havana closed. He was removed by Batista from his Army post in 1952 and, after spending some months in sanctuary in the Uruguayan Embassy in Havana, he came to Miami in June of 1954.

9. Jackson also wished me to meet Prio, Dr. Pedro Martinez Fraga and Luis Ortega. Prio was currently in New York. Martinez was formerly Ambassador to the US and a delegate to the United Nations. He was described by Jackson as one of the most brilliant persons he had ever met and he said that I could obtain a

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great deal of information from him concerning the present political and economic situation in Cuba. He was not immediately available and had no connection with the documents allegedly possessed by Verson. Ortega, a former newspaper columnist and member of Batista's Consultative Council, was also described by Jackson as a prolific source of information on Cuban political matters. He too was not immediately available and had no connection with the Verson documents. In the circumstances, I told Jackson that I would defer interviews with Martinez and Ortega until some future time.

10. At 4:00 p.m. on Sunday, 19 September, Jackson returned to the room in the Columbus Hotel, bringing with him Senor Hevia and Captain Verson. Jackson introduced me as Mr. Druton, a pseudonym I had supplied. He told them that I was a representative of the US Government and that we were interested in the documents in Verson's possession. He assured them that the information which they might give me would be treated as highly classified material, and he then left the meeting. It developed that Captain Verson could not speak any English (incidentally, Jackson does not speak Spanish), so that it was necessary to converse with him through Hevia, who acted as interpreter. Hevia is fluent in English and Spanish.

11. The substance of the information supplied by Verson concerning the documents in his possession is contained in the second part of this report. Verson appeared to attach a very high historical value to the contents of his documents and seemed anxious to make them available to US authorities. He disclaimed any desire for a fee and merely said that he wished to retain the originals, since he considered that they constituted an authentic account of the growth of the Communist movement in Cuba, but that we would be entirely welcome to photostat or otherwise copy the contents of his files.

12. At the conclusion of the interview, I thanked the two Cubans for their courtesy and cooperation and told Senor Hevia that I would get in touch with him later in the week either directly or through Mr. Jackson.

13. I enclose herewith a letter to Hevia confirming our interest in the Verson documents and asking him to notify me when it is expected that they will begin arriving, so that we may attempt to facilitate their entry. You will note that I have signed the letter with the name "Druton" which is how I was introduced to Hevia and Verson by Jackson. I think the letter should be mailed in Washington rather than in New Orleans, so as to allay any suspicions that Hevia may harbor that I am not actually a government representative. You will note that I have suggested that Hevia write to me in New Orleans in care of Miss Joan M. Eaton at Post Office Box 1016. He will, no doubt, assume that this is a letter-drop.

14. In view of the fact that I refer by implication to the Customs Department, I suggest that you hold the letter to Hevia until you or Cleveland have discussed the matter with Mr. Emerick, who is the superior of Mr. Wyatt, the Supervising Customs Agent in Miami. I suggest that the letter be sent air mail, unregistered. I have left the date blank and I request that you insert it before mailing. If you wish to change the letter in any way, please do so. Hevia does not, of course, know my handwriting, so that the letter can be signed by anyone.

William P. Burke

Burke:gr
Enclosure

SECRET
Security Information

26 August 1953

MEMORANDUM FOR: Chiefs All Field Offices

FROM : Chief, Contact Division (L/A)

SUBJECT : Case 14063

REFERENCE : 00-B-67546 (ANQS-3589)
00-A-20309 (NO-3094)

CUBA — Economic

1. For your information, the following requirements were submitted by OCI for action by FI.

2. Background

00-A-20309 states that Carlos Prio has been transferring funds from his Miami bank to his brother Francisco Prio, c/o Guaranty Trust Company, New York. 00-B-67546 states that there is a rumor that Carlos Prio has invested money in a chain of hotels in Switzerland.

For some months past Carlos Prio has been suspected of preparing an invasion of Cuba to oust Batista; however, other reports indicate that Francisco Prio is engaged in handling transfers out of the US for Carlos "for investment abroad", i. e., for unspecified non-revolutionary purposes.

3. Requirements

a. Evidence that Carlos Prio has been investing in Swiss hotels and details of the transaction, e.g., date, price paid, intermediaries, etc.

b. Any information available of other foreign investments that he has made.

Harry a. McCue
(E. M. ASHCRAFT

RHeller/th

Info: All Field Offices

FILE: Source of 00-B-67546
NO-Y-83.6

SECRET

F 27877
F 116921

Chief, Office of Collection & Dissemination — 8 September 1953

Chief, Contact Division, OO (L/A Branch)

Transfer of Funds by Prio Socarras (OO-A-5995, ID-966)

A 116921 ~~S-27877~~ S-116921

1. The US bank at which Carlos and Francisco Prio Socarras have accounts ... that neither Carlos nor Francisco has sought the bank's advice on ... investments.

2. Francisco's account shows that in early June 1953 there was a balance ... that the highest balance reached was US$14,841.72 on 19 June 1953, ... 30 July 1953 the account had fallen to US$1,434.38. There has been ... since that date.

3. Carlos' account shows the following:

	Debits	Credits	Prev. Bal US$7,718.12
... May		50,000	57,718.12
... June	340.99		57,377.13
... June	150.00		57,227.13
... June	5,700.00		51,527.13
	40,000.00		11,527.13
	2,000.00		9,527.13
... June	2,300.00		6,727.13
... July		86,500	93,227.13
... July		15,000	108,227.13
... July	5,000.00		103,227.13
... August	100,000.00		3,227.13

... The deposit of US$86,500 on 3 July was in the form of a check drawn by ... of Miami Beach, Fla.

The deposit of US$15,000 on 9 July was in the form of a check on the Bank ... New York, the drawer's signature illegible.

The withdrawal of 26 August was in cash. Carlos asked for one thousand ... was given mostly one hundred dollar bills and a few five hundred ...

During 1952, the most unusual activity of Carlos' account was the deposit ... on 25 September, a US$150,000 deposit on 29 September, and a withdrawal ... of US$140,000. Since the withdrawal was by check, which was ... to the depositor after cancellation, the identity of the payee is not ...

4. Mrs. Prio has a safety deposit at a branch of this bank and her husband ...

[illegible] access to it. We probably could learn the extent of the activity which has taken place with regard to this box if it would serve any good purpose.

[illegible] During the week of [illegible] August-[illegible] September 1953, Carlos presented one hundred thousand pesos in new bills at the bank, requesting dollars therefor. He was told the currency would have to be sent to the Banco Nacional de Cuba for examination and that the bank in all probability would want to know the identity of the person exchanging the pesos. Carlos reluctantly agreed to [illegible] said he had previously sold a large sum of pesos to another bank [illegible] difficulty. Carlos said his reason for requesting the exchange was [illegible] he feared a devaluation of the Cuban peso because of the rapid depletion [illegible] gold reserves in the US.

[illegible] The foregoing information was made available with the understanding [illegible] it would be for CIA internal use only. If there are inquiries concerning [illegible], please call Harry L. [illegible], extension [illegible].

S. H. [illegible]

[illegible]

A-8

[illegible] Guaranty Trust Co. of New York

F 116921

SECRET TO WASHINGTON FROM NEW YORK

TO ASHCRAFT FOR LA (MCCREA) FROM LEA--SECURITY INFORMATION--CITE NY-9115

CASE 14,063 RPT 14,063

FOR CIA INTERNAL USE ONLY.

S-116921

A-8

OUR CONTACT AT THE GUARANTY TRUST ADVISED THAT INSOFAR AS HE WAS ABLE TO LEARN NEITHER CARLOS NOR FRANCISCO PRIO HAS SOUGHT THE ADVICE OF ANY OFFICER OF THE BANK CONCERNING FOREIGN INVESTMENTS. BOTH CARLOS AND FRANCISCO HAVE ACCOUNTS AT THE GUARANTY TRUST.

THE ACCOUNT OF FRANCISCO SHOWS THAT IN EARLY JUNE 53, RPT 53, THERE WAS A BALANCE OF $4,841.72 RPT $4,841.72; THAT THE HIGHEST BALANCE REACHED WAS $14,841.72 RPT $14,841.72 ON 19 RPT 19 JUNE; AND THAT AS OF 30 RPT 30 JUL 53 RPT 53 THERE WAS A BALANCE IN THE ACCOUNT OF $1,434.38 RPT $1,434.38; THERE HAS BEEN NO ACTIVITY SINCE THAT DATE.

A TRABS RPT TRANSCRIPT OF CARLOS' ACCOUNT SHOWS THE FOLLOWING ACTIVITY IN 53 RPT 53:

~~S-27877~~

CARLOS PRIO SOCARROS

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	DEBITS	CREDITS	
			PREV BAL 7,718.12
MAY 27		50,000.00	57,718.12
JUNE 1	340.89		57,377.13
12	150.00		57,227.13
17	5,700.00		51,527.13
	40,000.00		11,527.13
	2,000.00		9,527.13
18	2,800.00		6,727.13
JULY 3		86,500.00	93,227.13
9		15,000.00	108,227.13
29	5,000.00		103,227.13
AUG 26	100,000.00		3,227.13

THE DEPOSIT OF $86,00

BUST THIS PARA PLEASE. THANKS.

THE DEPOSIT OF $86,500 RPT $86,500 ON 3 RPT 3 JULY WAS IN THE FORM OF A CHECK DRAWN BY MARIA SOLEDAD ALBA RPT MARIA SOLEDAD ALBA, MIAMI BEACH, FLORD RPT FLORIDA.

THE DEPOSIT OF $15,000 RPT $15,000 ON 9 RPT 9 JULY WAS IN THE FORM OF A CHECK DRAWN ON THE BANK OF NOVA SCOTIA, NEW YORK. THE DRAWER'S SIGNATURE WAS ILLEGIBLE.

THE DEBIT OF $100,000 RPT $100,000 ON 26 RPT 26 AUGUST WAS A WITHDRAWAL IN CASH MADE ON THAT DATE BY CARLOS WHO ASKED FOR BILLS OF ONE THOUSAND DOLLAR DENOMINATION BUT WAS GIVEN MOSTLY ALL ONE HUNDRED DOLLAR BILLS AND A FEW OF FIVE HUNDRED DOLLAR DENOMINATION.

THE MOST UNUSUAL ACTIVITY IN THE ACCOUNT OF CARLOS DURING 1952 RPT 1952 WAS THE DEPOSIT OF $45,000 RPT $45,000 ON 25 RPT 25 SEPTEMBER 1952 RPT 1952 AND A $150,000 RPT $150,000 DEPOSIT ON 29 RPT 29 SEPTEMBER 1952 RPT 1952, NEITHER OF WHICH CAN BE IDENTIFIED, AND A WITHDRAWAL IN OCTOBER 1952 RPT 1952 BY CHECK IN THE SUM OF $140,000 RPT $140,000. SINCE ALL CANCELLED CHECKS ARE RETURNED TO THE DEPOSITOR AT THE END OF EACH MONTH THIS CHECK IS NOT AVAILABLE FOR EXAMINATION.

WE HAVE ALSO BEEN INFORMED THAT THERE IS A SAFETY DEPOSIT BOX IN THE NAME OF MRS. CARLOS PRIO AT THE BANK, TO WHICH HER HUSBAND HAS ACCESS. WE HAVE NOT ATTEMPTED TO FIND OUT THE EXTENT OF THE ACTIVITY WHICH HAS TAKEN PLACE IN CONNECTION WITH THIS BOX BUT COULD POSSIBLY DO SO IF IT WOULD SERVE ANY GOOD PURPOSE.

WITHIN THE PAST WEEK CARLOS PRIO PRESENTED ONE HUNDRED THOUSAND PESOS TO THE BANK AND REQUESTED CASH IN EXCHANGE THEREFOR. WE UNDERSTAND THAT THE ENTIRE AMOUNT WAS IN NEW BILLS. HE WAS TOLD THAT THE CURRENCY WOULD HAVE TO BE SENT TO CUBA FOR EXAMINATION AND THAT IN ALL PROBABILITY THE BANCO NACIONAL DE CUBA WOULD WANT TO KNOW THE IDENTITY OF THE PERSON EXCHANGING THE PESOS. CARLOS SAID HE WOULD RATHER NOT HAVE HIS NAME DISCLOSED BUT CONSENTED TO BE NAMED IF THE BANK INSISTED UPON IT. AT THAT TIME, CARLOS TOLD THE BANK OFFICIALS THAT HE HAD PREVIOUSLY SOLD A LARGE SUM OF PESOS TO ANOTHER BANK WITHOUT ANY DIFFICULTY.

APPARENTLY IN THE COURSE OF THE NEGOTIATIONS FOR THE EXCHANGE OF THE PESOS CARLOS REMARKED THAT HE FEARS A DEVALUATION OF THE CUBAN CURRENCY BECAUSE OF THE RAPID DEPLETION OF CUBAN GOLD RESERVES IN THIS COUNTRY, WHICH WOULD RESULT IN A LARGE FINANCIAL LOSS TO HIM.

OUR CONTACT IS AT THE MAIN OFFICE OF THE GUARANTY TRUST AND THE ACCOUNT AND SAFETY BOX OF THE PRIO'S ARE LOCATED IN ONE OF THE BRANCHES. BECAUSE OF THE IDENTITY OF THE DEPOSITOR AND THE MANNER IN WHICH THE ABOVE INFORMATION WAS NECESSARILY OBTAINED, OUR CONTACT HAS ASKED THAT THE DATA BE TREATED IN THE STRICTEST CONFIDENCE. ACCORDINGLY THIS INFORMATION MUST BE RESTRICTED TO CIA RPT CIA INTERNAL USE ONLY.

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Chief, Office of Collection & Dissemination — 10 September 1953

Chief, Contact Division, OO (I/A Branch) ~~27877~~ A116921

Financial Activities of Carlos Prio Socarras (XX-A-5595, IN-966)

1. On 2 September 1953, Carlos Prio Socarras converted 98,000 Cuban pesos to US currency at a US bank. The bank is not that referred to in our memorandum of 8 September 1953 on the same subject. In this second transaction, the bank kept a record of some of the bills issued to Prio.

2. If there are inquiries concerning this communication, please call Harry A. McCrea, extension [illegible].

E. M. ASHCRAFT

HAMcCrea/th

File: NO 779-91.6

Orig filed in: 35519